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INTERSTATE COMMERCE COMMISSION

BROWARD FINANCIAL CENTRE, SUITE 1950
500 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33394-3079

(305) 467-2200
TELECOPIER 467-2210

December 29, 1995

VIA FEDERAL EXPRESS

Secretary
Interstate Commerce Commission
1201 Constitution Avenue
Washington, D.C. 20423
Attention: Documents for Recordation

Re: National Bank of Canada Loan to RailAmerica, Inc. and Related Entities

Ladies and Gentlemen:

Enclosed for recordation pursuant to provisions of 49 USC Section 11303(a) are two (2) fully executed and acknowledged (as authorized under the laws of the State of Florida) copies of a Security Agreement dated as of November 8, 1995, executed by Plainview Terminal Company, a Texas corporation, in favor of National Bank of Canada, which is a primary document as defined in the Interstate Commerce Commission's Rules for the Recordation of Documents, 49 CFR Part 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: Plainview Terminal Company, a Texas corporation
301 Yamato Road, Suite 2222
Boca Raton, Florida 33431

Secured Party: National Bank of Canada, a Canadian Chartered Bank
5200 Town Center Circle, Suite 306
Boca Raton, Florida 33486

A description of the railroad equipment covered by the enclosed Security Agreement is set forth on Exhibit "A" attached hereto and made a part hereof.

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NATIONAL BANK OF CANADA COMMUNICATION

SECURITY AGREEMENT

THIS AGREEMENT, made and entered into as of the 8th day of November, 1995, by and between NATIONAL BANK OF CANADA, a Canadian Chartered Bank, hereinafter referred to as the "Secured Party", and PLAINVIEW TERMINAL COMPANY, a Texas corporation ("Debtor").

W I T N E S S E T H:

WHEREAS, the Secured Party has agreed to extend and has extended certain financing to RAILAMERICA, INC., a Delaware corporation ("RailAmerica"), KALYN/SIEBERT INCORPORATED, a Texas corporation, RAILAMERICA INTERMODAL SERVICES, INC., a Delaware corporation, RAILAMERICA CARRIERS, INC., a corporation organized under the laws of the Province of Ontario, STEEL CITY CARRIERS INC., a corporation organized under the laws of the Province of Ontario, HURON AND EASTERN RAILWAY COMPANY, INC., a Michigan corporation, and SAGINAW VALLEY RAILWAY COMPANY, INC., a Delaware corporation (collectively "Borrower"), in accordance with the terms and provisions of that certain Master Revolving Promissory Note in the amount of Fifteen Million Dollars (\$15,000,000.00) executed by Borrower in favor of Secured Party and being dated as of September 29, 1995, (the "Note") and a Loan Agreement between Borrower and Lender dated as of September 29, 1995, as amended by First Amendment to Loan Agreement being dated of even date herewith as the same may be amended from time to time (collectively, the "Loan Agreement"), which Note and Loan Agreement are secured by an Absolute, Unconditional and Continuing Guaranty executed by Debtor in favor of Secured Party dated of even date herewith (the "Guaranty"). Further, it is acknowledged that it is a condition precedent to the making of further advances by the Secured Party under the Note and the Loan Agreement that the Debtor as security for its obligations under the Guaranty shall have granted a security interest in certain assets of the Debtor in favor of the Secured Party as hereinafter provided.

NOW, THEREFORE, in consideration of the premises, and in order to induce the Secured Party to make further advances under the Note and the Loan Agreement, and to accept the Guaranty, the Debtor hereby agrees as follows:

1. Creation and Grant of Securities. The Debtor hereby grants, assigns and pledges, in favor of the Secured Party, a security interest in all of the following property described and listed below (the "Collateral"):

(a) All accounts, accounts receivable, patents, trademarks, tradenames, licenses, franchises, general intangibles, contract rights and other obligations of any kind, whether now owned or hereafter acquired by Debtor and all proceeds of the foregoing and all rights now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to any such accounts,

payee thereof) or any indemnity, warranty or guaranty, chose in action or judgment payable by reason of loss or damage to or otherwise with respect to any of the foregoing collateral.

All of the above being located at the offices of the Debtor at 211 South Sixth Street, Brownfield, Texas 79316; and/or any such other place or places as the above and foregoing collateral may be located from time to time.

The Machinery and Equipment and fixtures are located in part on the real property described on Composite Exhibit "D" appended hereto. (Record Owner of the above real property: West Texas and Lubbock Railroad Company, Inc., a Texas corporation).

2. Security for Obligations. This Agreement secures the payment of any and all indebtedness, obligations and liabilities of any kind whatsoever of the Debtor to the Secured Party, and also to others to the extent of their participations granted to or interests therein created or acquired for them by the Secured Party, now or hereafter existing, of every kind and description, whether matured or unmatured, direct or contingent, including obligations in respect to future advances, whether or not there shall have been made the initial advance under the Note and Loan Agreement, and whether for principal, interest, fees, expenses or otherwise, including, without limitation, all obligations of the Debtor now or hereafter existing (a) under the Note, the Guaranty and the Loan Agreement, (b) under this agreement, and (c) under existing or future promissory notes and guaranties of the Debtor (all such obligations of the Debtor being hereinafter referred to as the "Obligations").

3. Debtor to Remain Liable. Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under the contracts, leases, policies, Franchises and agreements included in the Collateral to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this agreement had not been executed; (b) the exercise by the Secured Party of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under contracts, leases, policies, Franchises and agreements included in the Collateral; and (c) the Secured Party shall not have any obligation or liability under the contracts, leases, policies, Franchises and agreements included in the Collateral by reason of this agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder, or to take any action to collect or enforce any claim for payment assigned hereunder.

4. Debtor's Covenants, Warranties and Representations. The Debtor covenants, warrants and represents the following:

(a) Excepting as set forth on Exhibit "E" appended hereto and made a part hereof, and, except for the security interest granted hereby, Debtor is the sole owner of the Collateral, which is free of any liens, security interest or encumbrance, and

Debtor will defend the Collateral against all claims or demands of any person at any time claiming the same or any interest therein.

(b) Each account constituting the Receivables is genuine and enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor").

(c) The amount represented by Debtor to Secured Party as owing by each Account Debtor is the correct amount actually and unconditionally owing by such Account Debtor, except for normal cash discounts where applicable.

(d) To the best of Debtor's knowledge, no Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party whether in any proceeding to enforce the Receivables or otherwise.

(e) Debtor will notify Secured Party immediately of any material default by any Account Debtor in payment or other performance of its obligations with respect to any Receivables which in the aggregate exceed the sum of Ten Thousand Dollars (\$10,000.00).

(f) Debtor without Secured Party's prior written consent will not make or agree to make any material alteration, material modification or cancellation of or substitution for or material credits, material adjustments or material allowances on any of the Receivables.

(g) None of the Collateral shall be subject to a security interest other than that of the Secured Party, excepting for any security interests provided in connection with purchase money financing of a specific piece of machinery or equipment; provided that the aggregate indebtedness incurred in connection with the purchase money financing of Collateral which replaces existing Collateral together with existing Collateral of the Borrower as defined and set forth in that certain Security Agreement (the "Borrower Security Agreement") executed by Borrower and Secured Party dated as of September 29, 1995 (particularly as set forth in Section 4(g) thereof), together with Collateral of West Texas and Lubbock Railroad Company, Inc. ("West Texas") as defined and set forth in that certain Security Agreement executed by West Texas and Secured Party dated of even date herewith (particularly as set forth in Section 4(g) thereof), may not exceed the sum of One Hundred Thousand Dollars (\$100,000.00) in the aggregate in each fiscal year of the Debtor, the Borrower and West Texas, on a consolidated basis, such that the One Hundred Thousand Dollar (\$100,000.00) aggregate annual limitation shall apply to the Debtor, the Borrower and West Texas on an aggregate consolidated basis provided further, that the Borrower shall have such additional rights as are provided in Section 4(g) of the Borrower Security Agreement.

(h) All books and records pertaining to the Collateral and portions of the Collateral shall be kept at the chief place of business of Debtor, which are located at

211 South Sixth Street, Brownfield, Texas 79316. Debtor shall not remove said books and records and other information related to the Collateral or any portion of the Collateral located at said locations without the prior written consent of the Secured Party. The Collateral will not be wasted, misused or abused or deteriorated, except to the extent of ordinary wear and tear, and will not be used in violation of any law, ordinance or regulation of any governmental authority.

(i) This Agreement creates a valid and perfected first priority security interest in the Collateral, or the Debtor's interest in the Collateral, securing the payment of the Obligations and, simultaneously herewith, Debtor is executing such UCC-1 financing statements, and other financing statements and other types of filing statements, as have been required by Secured Party such that all filings and other actions necessary or desirable to perfect or protect such security interest may be duly taken.

(j) Debtor shall keep all personal property, Machinery and Equipment and Inventory (other than inventory solely consumed in the ordinary course of business) at the Debtor's chief business locations or at such place as Debtor shall have previously notified the Secured Party, or, upon thirty (30) days prior written notice to the Secured Party at such other place or places as shall have been consented to in writing by Secured Party, (in Secured Party's sole discretion) within said thirty (30) day time period. Notwithstanding the above it is acknowledged that Inventory may be dispatched for delivery prior to receipt of payment.

(k) Debtor shall cause the Railroad Trackage, the Machinery and Equipment and all other personal property to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with Federal Railroad Administration Standards, when applicable, and shall forthwith or in the case of any loss or damage to any of the Railroad Trackage, the personal property or Machinery and Equipment, as quickly as practicable, after the occurrence thereof, make or cause to be made all repairs, replacements or other improvements in connection therewith which are necessary or desirable to such end. The Debtor shall promptly furnish to the Secured Party a statement respecting any material loss or damage to any of the Railroad Trackage, the Machinery and Equipment or personal property.

(l) Debtor shall pay promptly, when due, all property and any taxes, assessments and governmental charges or levies imposed upon and all claims (including, claims for labor, materials and supplies) against the Railroad Trackage, the Machinery and Equipment, personal property and Inventory, except to the extent the validity thereof is being contested in good faith.

(m) No authorization, approval or other action by, and no notice to or filing with any governmental authority or regulatory body, or any other party is required either (i) for the grant by the Debtor of the security interest granted hereby, or for the

wherever located, whether now owned or hereafter existing, or acquired by Debtor, including without limitation, all wrapping, packaging, advertising, shipping materials, and, all other goods consumed in Debtor's business, all labels and other devices, names or marks affixed or to be affixed thereto for purposes of selling or identifying the same, or, the seller or manufacturer thereof, and, all of Debtor's right, title and interest therein and thereto; all books, records, documents, other property and general intangibles at any time relating to the Inventory, all goods, wares and merchandise finished or unfinished, held for sale or lease or furnished or to be furnished under contracts of service; all goods returned to or repossessed by Debtor; and all accessions thereto and products thereof (any and all such inventory, accessions and products being the "Inventory").

(e) All rails, tracks, trackage, track materials, ties and timber owned by the Debtor, whether now owned or hereafter acquired including, but not limited to (i) all rail and track owned by Debtor, but not yet affixed to any real estate or incorporated within existing railroad lines, and (ii) all rail and track owned by Debtor and affixed to real estate or incorporated within existing railroad lines, together with all fixtures, equipment, machinery, structures, buildings, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, loading platforms, pools, communication lines, powerlines and appurtenances of every kind or nature, used or useful in connection with laying, maintaining and operating such rail and track, including without limitation all rails, tracks, trackage, track materials, ties and timber described and set forth on Exhibit "C" appended hereto and made a part hereof (the "Railroad Trackage").

(f) All franchises, sanctions, rights (oral and written), licenses, privileges and operating agreements or authorities, third-party agreements and interchange agreements, and all other agreements (oral and written), including without limitation agreement(s) between Debtor and the State of Texas Department of Transportation, or between third parties and the State of Texas Department of Transportation, as assigned or licensed to Debtor, to operate over 131 miles of track, or thereabouts (the "Franchises").

(g) All fixtures, furniture, instruments, equipment, vehicles and any and all other personal property now owned or hereafter acquired by the Debtor.

(h) All assets now or hereafter acquired by Debtor pursuant to an acquisition financed by Secured Party, as more fully set forth in the Loan Agreement.

(i) All present and future money of the Debtor, authorized as legal tender in the United States of America, Canada, and/or any other country.

(j) All issues, deposits, products, rents, profits and proceeds derived of and from any and all of the foregoing collateral and to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss

payee thereof) or any indemnity, warranty or guaranty, chose in action or judgment payable by reason of loss or damage to or otherwise with respect to any of the foregoing collateral.

All of the above being located at the offices of the Debtor at 211 South Sixth Street, Brownfield, Texas 79316; and/or any such other place or places as the above and foregoing collateral may be located from time to time.

The Machinery and Equipment and fixtures are located in part on the real property described on Composite Exhibit "D" appended hereto. (Record Owner of the above real property: West Texas and Lubbock Railroad Company, Inc., a Texas corporation).

2. Security for Obligations. This Agreement secures the payment of any and all indebtedness, obligations and liabilities of any kind whatsoever of the Debtor to the Secured Party, and also to others to the extent of their participations granted to or interests therein created or acquired for them by the Secured Party, now or hereafter existing, of every kind and description, whether matured or unmatured, direct or contingent, including obligations in respect to future advances, whether or not there shall have been made the initial advance under the Note and Loan Agreement, and whether for principal, interest, fees, expenses or otherwise, including, without limitation, all obligations of the Debtor now or hereafter existing (a) under the Note, the Guaranty and the Loan Agreement, (b) under this agreement, and (c) under existing or future promissory notes and guaranties of the Debtor (all such obligations of the Debtor being hereinafter referred to as the "Obligations").

3. Debtor to Remain Liable. Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under the contracts, leases, policies, Franchises and agreements included in the Collateral to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this agreement had not been executed; (b) the exercise by the Secured Party of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under contracts, leases, policies, Franchises and agreements included in the Collateral; and (c) the Secured Party shall not have any obligation or liability under the contracts, leases, policies, Franchises and agreements included in the Collateral by reason of this agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder, or to take any action to collect or enforce any claim for payment assigned hereunder.

4. Debtor's Covenants, Warranties and Representations. The Debtor covenants, warrants and represents the following:

(a) Excepting as set forth on Exhibit "E" appended hereto and made a part hereof, and, except for the security interest granted hereby, Debtor is the sole owner of the Collateral, which is free of any liens, security interest or encumbrance, and

Debtor will defend the Collateral against all claims or demands of any person at any time claiming the same or any interest therein.

(b) Each account constituting the Receivables is genuine and enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor").

(c) The amount represented by Debtor to Secured Party as owing by each Account Debtor is the correct amount actually and unconditionally owing by such Account Debtor, except for normal cash discounts where applicable.

(d) To the best of Debtor's knowledge, no Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party whether in any proceeding to enforce the Receivables or otherwise.

(e) Debtor will notify Secured Party immediately of any material default by any Account Debtor in payment or other performance of its obligations with respect to any Receivables which in the aggregate exceed the sum of Ten Thousand Dollars (\$10,000.00).

(f) Debtor without Secured Party's prior written consent will not make or agree to make any material alteration, material modification or cancellation of or substitution for or material credits, material adjustments or material allowances on any of the Receivables.

(g) None of the Collateral shall be subject to a security interest other than that of the Secured Party, excepting for any security interests provided in connection with purchase money financing of a specific piece of machinery or equipment; provided that the aggregate indebtedness incurred in connection with the purchase money financing of Collateral which replaces existing Collateral together with existing Collateral of the Borrower as defined and set forth in that certain Security Agreement (the "Borrower Security Agreement") executed by Borrower and Secured Party dated as of September 29, 1995 (particularly as set forth in Section 4(g) thereof), together with Collateral of West Texas and Lubbock Railroad Company, Inc. ("West Texas") as defined and set forth in that certain Security Agreement executed by West Texas and Secured Party dated of even date herewith (particularly as set forth in Section 4(g) thereof), may not exceed the sum of One Hundred Thousand Dollars (\$100,000.00) in the aggregate in each fiscal year of the Debtor, the Borrower and West Texas, on a consolidated basis, such that the One Hundred Thousand Dollar (\$100,000.00) aggregate annual limitation shall apply to the Debtor, the Borrower and West Texas on an aggregate consolidated basis provided further, that the Borrower shall have such additional rights as are provided in Section 4(g) of the Borrower Security Agreement.

(h) All books and records pertaining to the Collateral and portions of the Collateral shall be kept at the chief place of business of Debtor, which are located at

211 South Sixth Street, Brownfield, Texas 79316. Debtor shall not remove said books and records and other information related to the Collateral or any portion of the Collateral located at said locations without the prior written consent of the Secured Party. The Collateral will not be wasted, misused or abused or deteriorated, except to the extent of ordinary wear and tear, and will not be used in violation of any law, ordinance or regulation of any governmental authority.

(i) This Agreement creates a valid and perfected first priority security interest in the Collateral, or the Debtor's interest in the Collateral, securing the payment of the Obligations and, simultaneously herewith, Debtor is executing such UCC-1 financing statements, and other financing statements and other types of filing statements, as have been required by Secured Party such that all filings and other actions necessary or desirable to perfect or protect such security interest may be duly taken.

(j) Debtor shall keep all personal property, Machinery and Equipment and Inventory (other than inventory solely consumed in the ordinary course of business) at the Debtor's chief business locations or at such place as Debtor shall have previously notified the Secured Party, or, upon thirty (30) days prior written notice to the Secured Party at such other place or places as shall have been consented to in writing by Secured Party, (in Secured Party's sole discretion) within said thirty (30) day time period. Notwithstanding the above it is acknowledged that Inventory may be dispatched for delivery prior to receipt of payment.

(k) Debtor shall cause the Railroad Trackage, the Machinery and Equipment and all other personal property to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with Federal Railroad Administration Standards, when applicable, and shall forthwith or in the case of any loss or damage to any of the Railroad Trackage, the personal property or Machinery and Equipment, as quickly as practicable, after the occurrence thereof, make or cause to be made all repairs, replacements or other improvements in connection therewith which are necessary or desirable to such end. The Debtor shall promptly furnish to the Secured Party a statement respecting any material loss or damage to any of the Railroad Trackage, the Machinery and Equipment or personal property.

(l) Debtor shall pay promptly, when due, all property and any taxes, assessments and governmental charges or levies imposed upon and all claims (including, claims for labor, materials and supplies) against the Railroad Trackage, the Machinery and Equipment, personal property and Inventory, except to the extent the validity thereof is being contested in good faith.

(m) No authorization, approval or other action by, and no notice to or filing with any governmental authority or regulatory body, or any other party is required either (i) for the grant by the Debtor of the security interest granted hereby, or for the

execution, delivery or performance of this agreement by Debtor; or (ii) for the perfection of or the exercise by the Secured Party of its rights and remedies hereunder, excepting for the filing of UCC-1 financing statements, and, if applicable, Interstate Commerce Commission filings with the appropriate public authorities.

(n) The Collateral which needs to be insured shall be insured with such carriers and in such amounts and against such risks as shall be reasonably satisfactory to the Secured Party, with policies payable to the Secured Party as loss-payee. All policies of insurance shall provide for thirty (30) days written notice of cancellation to the Secured Party, and the Secured Party shall be furnished with the original policies or duplicates thereof. The insurance provisions are further set forth in Paragraph 6 herein.

(o) Debtor will pay when due all taxes and assessments upon the Collateral or its operation or use.

(p) At its option, and without any obligation to do so, the Secured Party may discharge or pay any taxes, liens or other encumbrances at any time levied or placed on or against the Collateral or the Debtor, and may pay for insurance on the Collateral and may pay for the Collateral's maintenance and preservation. The Debtor agrees to reimburse the Secured Party on demand for any such payment made or reasonable expense incurred pursuant to the foregoing authorizations, or, at the Secured Party's option, any such payment made by the Secured Party may be added to the balance of the liability then owing.

(q) The Collateral will not, without the prior written consent of the Secured Party, be sold, transferred, disposed of, or substantially modified, except in the usual and ordinary course of business.

(r) Debtor will immediately notify Secured Party if any of Debtor's Receivables or Related Contracts arise out of contracts with the United States or any department, agency or instrumentality thereof, and will execute any instruments and take any steps required by Secured Party in order that all monies due and to become due under any such Receivables and Related Contracts shall be assigned to Secured Party and notice thereof given to the Government under the Federal Assignment of Claims Act.

(s) Debtor will not remove the Collateral from the State of Texas, excepting in the ordinary course of business, nor change the location of its chief executive office without the prior written consent of Secured Party.

(t) Debtor shall comply with all material terms and provisions of the Franchises and all other written agreements which constitute a part of the Collateral, and, shall fully and timely perform all material obligations to be complied with by

Debtor in connection with the same, such that all Franchises and agreements are maintained in good standing and in full force and effect.

(u) The Debtor hereby authorizes the Secured Party to file such financing statement(s) or continuation statement(s) relating to the Collateral without the Debtor's signature thereon, as Secured Party may deem appropriate. The Debtor shall also execute from time to time alone or with the Secured Party, any financing statement or statements or other documents, and do such other act or acts considered by the Secured Party to be necessary or desirable to perfect or protect the security interest hereby created, and shall pay all costs and expenses (including, without limitation, reasonable fees and expenses of counsel and filing fees) related to the preparation and filing of any financing statements, continuation statements, or other documents related to the perfection or protection of the security interest hereby created.

(v) The Debtor shall at all times comply with all terms and provisions of the Loan Agreement.

5. Further Assurances. The Debtor agrees that from time to time, at the expense of the Debtor, that Debtor will promptly execute and deliver all further instruments and documents, and take all further actions that may be necessary or that the Secured Party may request in order to perfect and protect any security interest granted or purported to be granted hereby, or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Without limiting the generality of the foregoing, Debtor shall: (a) mark conspicuously each chattel paper included in the Receivables and each Related Contract and, at the request of the Secured Party, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Secured Party, indicating that such chattel paper, Related Contract or Collateral is subject to the security interest granted hereby; (b) effective upon the occurrence of an Event of Default hereunder, under the Guaranty, the Note, the Loan Agreement or any associated Loan Documents ("Event of Default"), if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, deliver and pledge to the Secured Party hereunder such note, instrument or chattel paper duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Secured Party; (c) hold and preserve the books and records pertaining to the Collateral as set forth in Paragraph 4(h) above, and, preserve any chattel papers related to the Receivables, and, will permit representatives of the Secured Party at any time during normal business hours to inspect and make abstracts from such books, records and chattel papers; and (d) furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

All costs and expenses associated with any of the above set forth actions (including, without limitation, reasonable fees and expenses of Secured Party's counsel and filing fees) shall be the sole responsibility of the Debtor.

6. Insurance. The Debtor shall maintain liability insurance, worker's compensation insurance and hazard insurance (with fire extended coverage, vandalism and mischief protection) in accordance with the following provisions:

(a) The Debtor shall, at its own expense, maintain insurance with respect to the Railroad Trackage, Machinery and Equipment, Inventory and all other personal property in such amounts, against such risks, in such form and with such insurers, as shall be reasonably satisfactory to the Secured Party. Each policy for (i) liability insurance shall provide for all losses to be paid on behalf of the Secured Party and Debtor as their respective interests may appear and (ii) property damage insurance shall provide for all losses to be paid directly to the Secured Party upon the request of the Secured Party. Each such policy shall in addition (i) name the Secured Party as an insured and as loss payee thereunder (without any representation or warranty by or obligation upon the Secured Party), (ii) contain an agreement by the insurer that any loss thereunder shall be payable to the Secured Party notwithstanding any action, inaction or breach of representation or warranty by the Debtor, (iii) provide that there shall be no recourse against the Secured Party for payment of premiums or other amounts with respect thereto, (iv) provide that at least thirty (30) days prior written notice of cancellation or of lapse shall be given to the Secured Party by the insurer, and (v) provide that upon notification from the Secured Party, all payments pursuant to such policies shall be paid directly to the Secured Party. The Debtor shall deliver to the Secured Party original or duplicate policies of such insurance as often as the Secured Party may reasonably request. Notwithstanding anything to the contrary set forth above, after Secured Party's receipt of insurance proceeds in the event of casualty or loss, so long as there is not then existing an Event of Default or any event with which notice or lapse of time, or both, would become an Event of Default, Secured Party shall release such insurance proceeds to Debtor, upon written request of Debtor, for the purpose of restoring, repairing or replacing any damaged, stolen or lost item, upon such terms and conditions as shall reasonably be required by Secured Party.

(b) Reimbursement under any liability insurance maintained by the Debtor pursuant to this Section 6 may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss involving damage to Railroad Trackage, Machinery and Equipment, Inventory or any other personal property when subsection (c) of this Section 6 is not applicable, the Debtor shall make or cause to be made the necessary repairs to or replacements of such Railroad Trackage, Machinery and Equipment, Inventory or other personal property, and any proceeds of insurance maintained by the Debtor pursuant to this Section 6 shall be paid to the Debtor as reimbursement for the costs of such repairs or replacements, unless otherwise paid directly to the Secured Party upon the request of said Secured Party.

(c) Upon the occurrence and during the continuance of any Event of Default, all insurance payments in respect of such Railroad Trackage, Machinery and Equipment, Inventory or other personal property shall be paid to and applied by the Secured Party in accordance with the terms and provisions of Section 14 hereof.

7. Secured Party Appointed Attorney-In-Fact. Debtor hereby irrevocably appoints the Secured Party the Debtor's attorney-in-fact, which appointment is coupled with an interest, with full authority in the place and stead of the Debtor and in the name of the Debtor, the Secured Party or otherwise, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this agreement (subject to the rights of the Debtor under Section 10), including without limitation:

(a) to obtain and adjust insurance required to be paid to the Secured Party pursuant to Section 6;

(b) effective upon the occurrence of an Event of Default, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipt for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause 7(a) or 7(b) above; and

(d) effective upon the occurrence of an Event of Default, to file any claims to take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral.

8. Secured Party May Perform. If the Debtor fails to perform any agreement contained herein, the Secured Party may (upon notice to Debtor) perform, or cause performance of, such agreement, and the expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor under Section 12(h) and 14 hereof.

9. Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

10. Rights of Debtor Prior to Default. Until default, Debtor may use the Collateral in any lawful manner not inconsistent with this agreement, and with the terms of insurance thereon.

11. Events of Default. Debtor shall be in default under this Security Agreement upon the happening of any of the following events:

(a) If Debtor (i) defaults in the due performance or observance of any obligation of Debtor under the Guaranty, including without limitation, any payment of money required thereunder, or (ii) defaults in the due performance or observance of any material obligation of Debtor under this Security Agreement and fails to cure such latter default within fifteen (15) days of the occurrence of the event of default;

(b) If any material representation or warranty or guaranty made by Debtor herein or in any other statement heretofore or hereafter furnished by Debtor to the Secured Party proves to be false or misleading in any material respect;

(c) The occurrence of any Event of Default under the Loan Agreement, subject to any notice and cure periods set forth therein, if any;

(d) Failure to pay any other material obligation, liability or claim hereby secured;

(e) If any obligation or liability of Debtor (other than any obligation secured hereby) for the payment of money becomes or is declared to be due and payable prior to the expressed maturity thereof;

(f) Loss, theft, substantial change or destruction to the Collateral which is not adequately insured against;

(g) If Debtor subjects any Collateral to a security interest in favor of any party other than the Secured Party, excepting as set forth in Section 4(g) of this Agreement;

(h) The assignment for the benefit of creditors by Debtor or any principal thereof or the admission, in writing, of any inability to pay any debts, generally, as they become due, or, ordering the winding up or liquidation of its affairs by Debtor or any principal thereof, or, the commencement of a case by or against the Debtor or any principal thereof, under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar law, provincial, state or federal (United States or Canada), and, which in the case of an involuntary proceeding, has not been dismissed within thirty (30) days of such filing;

(i) The determination by Debtor or any principal thereof to request relief under any insolvency, bankruptcy, creditor adjustment, debtor rehabilitation or similar

proceeding, provincial, state or federal (United States or Canada), including without limitation, the consent by any of them, to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official for it or for any of its respective property or assets;

(j) There shall have occurred any substantial adverse change in the financial condition of RailAmerica, Debtor, or any other Borrower, which in the case of the Debtor or a Borrower other than RailAmerica, must adversely impact the ability of the Debtor and the Borrower, as applicable, to repay the Note, to perform Debtor's obligations under the Guaranty, to perform the Borrower's obligations under the Loan Agreement, to perform Debtor's obligations under this agreement, or to perform any obligations under any of the Loan Documents;

(k) If the Debtor shall have failed to materially comply with any other agreement, covenant, condition, provision or term contained in any of the Loan Documents;

(l) There shall be entered against the Debtor one (1) or more judgments or decrees which have not been satisfied within thirty (30) days of entry;

(m) If the Debtor loses any rights to operate on any portion of the railroad tracks under any of the Franchises, or under any other agreements which are currently in place which allow the Debtor to run its railroad line operations in the State of Texas.

Then, upon the happening of any of the foregoing events of default, the promissory note or notes, the Guaranty, the Loan Agreement and all other obligations, liabilities and claims secured hereby, shall become immediately due and payable. Debtor expressly waives any presentment, demand, protest or other notice of any kind.

12. Secured Party's Remedies and Additional Rights After Default. Upon default, the Secured Party shall have the rights and remedies of a secured party under the Florida Uniform Commercial Code, the Texas Uniform Commercial Code, or any other applicable law. Without limiting the generality of the foregoing, Secured Party may exercise the following rights and remedies:

(a) Secured Party may peaceably, or by its own means or with judicial assistance by injunction or otherwise, enter Debtor's premises and take possession of the Collateral, or render it unusable, or dispose of the Collateral on Debtor's premises, and Debtor will not resist or interfere with such action;

(b) Secured Party may with judicial assistance by injunction, or otherwise, require Debtor, at Debtor's expense, to assemble all or any part of the Collateral and make it available to Secured Party at any place designated by Secured Party. Debtor hereby agrees that Debtor's chief place of business or any place designated by

Secured Party within Palm Beach County, or, Broward County, Florida, or the State of Texas, are places reasonably convenient to Debtor to assemble such Collateral;

(c) Debtor hereby agrees that a notice to Debtor, at least five (5) days before the time of any intended sale or of the time after which any public or private sale or other disposition of the Collateral is to be made, shall be deemed to be reasonable notice of such sale or other disposition;

(d) In the event of sale or other disposition of any such Collateral, the Secured Party may apply the proceeds of any such sale or disposition to the satisfaction of its reasonable attorneys' fees, legal expenses, and other costs and expenses incurred in connection with its taking, re-taking, holding, preparing for sale and selling of the Collateral;

(e) Without precluding any other methods of sale, the sale of Collateral shall have been made in commercially reasonable manner if conducted in conformity with reasonable commercial practices but, in any event, the Secured Party may sell on such terms as it may choose, without assuming any credit risk and without any obligation to advertise;

(f) The Collateral need not be present at any public or private sale or in view of the purchaser or purchasers, and title shall pass upon such sale wherever the property or any part thereof is located with like effect as though all the property were present and in the possession of the person conducting the sale and were physically delivered to the purchaser or purchasers; the Secured Party may bid for and purchase at any public or private sale the Collateral offered for sale or any part thereof, and by such purchase shall become the owner thereof;

(g) Any sale or other disposition of the Collateral, or any portion thereof, or of any other property of Debtor held by Secured Party or any portion thereof, made under or by virtue of this agreement shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever at law or in equity of the Debtor and all persons claiming by, through or under the Debtor in and to the properties and rights so sold, whether sold to Secured Party or to others. The receipt of Secured Party or its designated agent shall be a sufficient discharge to the purchaser or purchasers at any such sale or other disposition for his or their purchase money, and such purchaser or purchasers and their respective successors, assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of Secured Party or of such agent of Secured Party, be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof;

(h) Secured Party may deduct from the gross proceeds of any public or private sale the reasonable expenses incurred by Secured Party in connection therewith, including any expenses set forth in Section 14, herein, reasonable

attorneys' fees and brokers' commissions, if any, and the net proceeds then remaining shall be applied first to the satisfaction of the amount owed to the Secured Party by Debtor, including payment of all of the Obligations, and, any amount then remaining shall be returned to the Debtor;

(i) Secured Party may (i) notify the Account Debtors under any and all of Debtor's accounts, including, without limitation, the Receivables and Related Contracts, of Secured Party's interest therein, and direct such Account Debtors to make payments due and to become due thereunder directly and solely to Secured Party, (ii) accept and take control of all payments and proceeds received from the Account Debtors, and, at the expense of Debtor, enforce collection of any such Receivables and Related Contracts and adjust, settle or compromise the amount for payment thereof in the same manner and to the same extent as the Debtor might have done. Additionally, all amounts and proceeds (including instruments) received by the Debtor in respect of the Receivables and Related Contracts shall be received in trust for the benefit of the Secured Party, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary indorsement) to be held as cash collateral and either (i) released to the Debtor so long as no Event of Default shall be continuing, or (ii) if any Event of Default shall have occurred and be continuing, applied against Secured Party's reasonable attorneys' fees and expenses, and, all other expenses of Secured Party incurred in connection with this agreement, and, then applied as provided by Section 12(h), and, the Debtor shall not adjust, settle or compromise the amount or payment of any Receivable or Related Contract, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon. The above shall not be deemed to constitute a foreclosure by Secured Party or an election by Secured Party of any remedy limiting the right of Secured Party to recover the unpaid balance of the Obligations, such that Secured Party shall be entitled to all other remedies set forth herein;

(j) The Secured Party may, in addition to any other rights it may have, appoint by instrument in writing a receiver or receiver and manager (both of which are herein called a "Receiver") of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Secured Party has under this Security Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the agent of the Debtor, and the Secured Party shall not be responsible for any act or default of any such Receiver. The Secured Party may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Secured Party. A court need not appoint, ratify the appointment by the Secured Party of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the

Secured Party of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Secured Party;

(k) The Secured Party may carry on, or concur in the carrying on of, all or any part of the business or undertaking of Debtor, may, to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by Debtor and may use all or any of the tools, machinery, equipment and intangibles of Debtor for such time as the Secured Party sees fit, free of charge, to carry on the business of Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product;

(l) Secured Party may proceed directly against the Debtor, and/or against the Borrower, and/or against any guarantor of the Note, and obtain judgments against the same; and

(m) No right, power, or remedy of Secured Party as provided in this agreement, the Loan Agreement, the Guaranty, and in any other loan document associated herewith, is intended to be exclusive of any other right, power, or remedy of Secured Party, but each and every such right, power and remedy shall be cumulative and concurrent and in addition to any other right, power or remedy available to Secured Party now or hereafter existing at law or in equity. The failure of Secured Party to exercise any such right, power or remedy shall in no event be construed as a waiver or release thereof.

13. Right of Set-off. In addition to and not in limitation of all rights of offset that Secured Party may have under applicable law, Secured Party shall, upon the occurrence of an Event of Default and whether or not Secured Party has made any demand, or the Obligations are matured, and without notice to the Debtor (any such notice being expressly waived by the Debtor) have the right to set off and apply to the payment of the Obligations all deposits of Debtor (general or special, time or demand, provisional or final) at any time held by Secured Party and other indebtedness or property at any time owing by Secured Party to or for the credit or the account of Debtor against any and all of the Obligations of the Debtor to the Secured Party.

14. Indemnity and Expenses. Debtor shall indemnify and hold harmless Secured Party as follows:

(a) The Debtor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities growing out of or resulting from this agreement (including, without limitation, enforcement of this agreement), except claims, losses or liabilities resulting from the Secured Party's gross negligence or willful misconduct.

(b) The Debtor will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the administration of this agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder or (iv) the failure by the Debtor to perform or observe any of the provisions hereof.

15. Non-Judicial Process. Secured Party may enforce its rights hereunder without resort to prior judicial process or judicial hearing, and, Debtor hereby waives any right Debtor may have to notice and a hearing before possession or sale of Collateral is effected by Secured Party by self-help, replevin, attachment or otherwise, and waives any requirement that Secured Party post a bond or other security which might be required by any court prior to allowing Secured Party to exercise any of Secured Party's remedies, and the benefit of all appraisal, extension and exemption laws, such waivers being consistent with commercial necessity. Nothing herein is intended to prevent Secured Party from resorting to judicial process at its option.

16. Injunctive Relief. Debtor recognizes that, in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this agreement, any remedy at law may prove to be inadequate relief to Secured Party; therefore, Debtor agrees that Secured Party, if Secured Party so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

17. Submission to Jurisdiction. Debtor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this agreement or any other associated loan document, may be brought, at the option of Secured Party, in a court of record in the State of Florida in Broward, Dade or Palm Beach County, in the United States District Court for the Southern District of Florida, or in any other court of competent jurisdiction; (b) consents to the jurisdiction of each such court in any such suit, action or proceedings; and (c) waives any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts.

18. Automatic Stay. Debtor hereby agrees that, in consideration of the recitals and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in the event Debtor shall (i) file with any bankruptcy court of competent jurisdiction or be the subject of any petition under title 11 of the U.S. Code, as amended, (ii) be the subject of any order for relief issued under such Title 11 of the U.S. Code, as amended, (iii) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present

or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, (iv) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator, (v) be the subject of any order, judgment, or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, Secured Party shall thereupon be entitled to relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended, or otherwise, on or against the exercise of the rights and remedies otherwise available to Secured Party as provided in the Note, the Loan Agreement, the Guaranty, this agreement and all associated loan documents, and as otherwise provided by law. Debtor hereby agrees not to object to Secured Party immediately seeking relief from the automatic stay, to allow Secured Party to proceed immediately to exercise the rights and remedies provided under this agreement, including without limitation, the right to take title to the Collateral, to conduct a foreclosure sale of the Collateral and to the issuance of a Certificate of Title to the Collateral in connection with any foreclosure sale, and/or to proceed against and realize upon the Collateral for the Obligations and to otherwise allow Secured Party to take all such actions as Secured Party may elect in its sole discretion in pursuance of the other rights and remedies available in the event of a default by Debtor under the loan documents. Debtor hereby waives any protection afforded under 11 U.S.C., Section 362(a).

19. Addresses for Notices. All notices and other communications provided for hereunder, if any, shall be in writing (including facsimile communication) and, if to the Debtor, mailed, federal expressed, faxed or delivered to it, addressed to it at the address of the Debtor specified in the Guaranty, if to the Secured Party, mailed or delivered to it, addressed to it at the address of the Secured Party specified in the Loan Agreement, or as to either party at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, addressed as aforesaid, be effective three (3) days after deposited in the mail, when federal expressed, be effective one day after deposited with Federal Express, and, when sent by facsimile shall be effective immediately.

20. Continuing Security Interest; Transfer of Note and Guaranty. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure to the benefit of the Secured Party and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Secured Party may assign or otherwise transfer the Note and/or the Guaranty held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to the Secured Party herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all

rights to the Collateral shall revert to the Debtor. Upon any such termination, the Secured Party will, at the Debtor's expense, execute and deliver to the Debtor such documents as the Debtor shall reasonably request to evidence such termination.

21. Amendments, Etc. No amendment or waiver of any provision of this agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

22. Waiver. No failure on the part of Secured Party to exercise or delay in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any singular or partial exercise by the Secured Party of any right or remedy hereunder preclude any other or future exercise thereof, or the exercise of any other right or remedy.

23. Additional Waivers of Debtor. To the fullest extent that it or they may lawfully so agree, Debtor agrees that it will not at any time insist upon, claim, plead or take any benefit or advantage of any appraisalment, valuation, stay, extension, moratorium, redemption or similar law now or hereafter in force in order to prevent, delay or hinder the enforcement hereof or the absolute sale of any part of the Collateral. Debtor, for itself and all who claim through it, so far as it or they now or hereafter lawfully may do so, hereby waives the benefit of all such laws, and all rights to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this agreement may order the sale of the Collateral as an entirety. Without limiting the generality of the foregoing, Debtor hereby: (i) authorizes Secured Party in its sole discretion and without notice to or demand upon Debtor and without otherwise affecting the obligations of Debtor hereunder from time to time to take and hold other collateral (in addition to the Collateral) for payment of any Obligations, or any part thereof, and to exchange, enforce or release such other collateral or any part thereof and to accept and hold any endorsement or guarantee of payment of the Obligations, or any part thereof and to release or substitute any endorser or guarantor or any other person granting security for or in any other way obligated upon any Obligations or any part thereof, and (ii) waives and releases any and all right to require Secured Party to collect any of the Obligations from any specific item or items of the Collateral or from any other party liable as guarantor or in any other manner in respect of any of the Obligations or from any collateral (other than the Collateral) for any of the Obligations.

24. Successors and Assigns. All of the terms, conditions, and covenants of this agreement shall inure to the benefit of and bind the heirs, personal representatives, successor and assigns of the respective parties hereto.

25. Severability. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced

accordingly, and if any clause or provision herein contained operates or would operate to invalidate this agreement in part, then the invalid part of said clause or provisions only shall be held for naught as though not contained herein, and the remainder of this agreement shall remain operative and in full force and effect.

26. Modification. This Agreement may not be changed orally, but only by an instrument in writing, and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

27. Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to lawful currency of the United States of America.

28. Entire Agreement. This Security Agreement constitutes the entire agreement between the parties hereto.

29. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the internal laws (and not the law of conflicts) of the State of Florida, but giving effect to federal laws applicable to national banks to the extent applicable; provided however, that Secured Party shall be entitled to take advantage of any laws related to creditor rights and remedies in any jurisdiction where the Collateral is located.

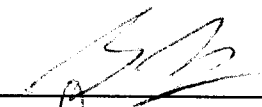
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WAIVER OF JURY TRIAL. DEBTOR AND SECURED PARTY HEREBY MUTUALLY, KNOWINGLY, WILLINGLY AND VOLUNTARILY WAIVE THEIR RIGHT TO TRIAL BY JURY AND NO PARTY NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEEDING BASED UPON OR ARISING OUT OF THIS SECURITY AGREEMENT OR ANY ASSOCIATED LOAN DOCUMENTS OR ANY INSTRUMENT EVIDENCING, SECURING OR RELATING TO THE OBLIGATIONS SECURED HEREBY OR ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE OBLIGATIONS SECURED HEREBY OR ANY COURSE OF ACTION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS RELATING TO THE OBLIGATIONS OR TO THIS SECURITY AGREEMENT. THE PARTIES ALSO WAIVE ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. SECURED PARTY HAS IN NO WAY AGREED WITH OR REPRESENTED TO DEBTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

WITNESSES:

DEBTOR:



Lou L. Rossi

PLAINVIEW TERMINAL COMPANY,
a Texas corporation

By: 

Gary O. Marino
Chairman and Chief Executive Officer
(Corporate Seal)

SECURED PARTY:

NATIONAL BANK OF CANADA,
a Canadian Chartered Bank

Lora L. Rossi

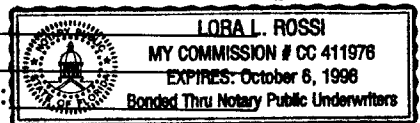
By: Michael S. Bloomenthal
Its: VICE PRESIDENT

STATE OF FLORIDA)
)SS.
COUNTY OF Broward)

The foregoing instrument was acknowledged before me this 8th day of November, 1995 by Gary O. Marino, as Chairman and Chief Executive Officer of PLAINVIEW TERMINAL COMPANY, a Texas corporation, on behalf of said corporation, who is personally known to me or who has produced a Florida driver's license as identification.

Lora L. Rossi

Typed/Printed Name: _____
Notary Public-State of: _____
My Commission Expires: _____
Commission Number: _____



STATE OF FLORIDA)
)SS.
COUNTY OF Broward)

The foregoing instrument was acknowledged before me this 8th day of November, 1995 by Michael S. Bloomenthal as Vice President of NATIONAL BANK OF CANADA, a Canadian Chartered Bank, on behalf of said bank, who is personally known to me or who has produced a _____ driver's license as identification.

Lora L. Rossi

Typed/Printed Name: _____
Notary Public-State of: _____
My Commission Expires: _____
Commission Number: _____

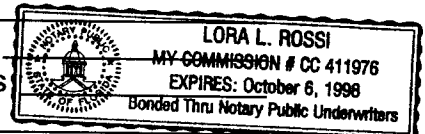


EXHIBIT "A"

LOCOMOTIVES AND ROLLING STOCK

LOCOMOTIVES

<u>Description</u>	<u>Road No.</u>	<u>Builder's Serial No.</u>	<u>Year Built</u>
EMD GP-7M	MKT 105	5049-6	02/51
EMD GP-7M	MKT 113	6323-4	11/51
EMD GP-7M	MKT 118	5211-1	12/52
EMD GP-7M	MKT 91	6074-1	03/50

ROLLING STOCK

Ex-Santa Fe Railroad Caboose 999423

EXHIBIT "B"

EQUIPMENT

87 DODGE 1 TON W/UTILITY BED

86 FORD 1 1/2 TON W/UTILITY BED

86 CHEVY 3/4 TON W/UTILITY BED

⁸³
F.GMC 3/4 TON CREW CAB W/HI RAIL GEAR

80 CHEVY 3/4 TON CREW CAB W/UTILITY BED

72 CHEVY 3/4 TON 4X4

70 CHEVY 2 TON 2/HYDRAULIC WINCH & GIN POL

65 CHEVY DUMP TRUCK - SINGLE AXLE

30' GOOSE NECK TRLR W/HYDR WINCH & TILT

16' TANDEM AXLE CAR TRAILER

580 D CASE BACKLOC/FRONT LOADER

KERSHAW BALLAST REGULATOR W/BROOM

1100 MASSEY FERGUESON TRAACTOR WITH

RHINO BATWING SHREDDER

JACKSON 2100 TAMPER

SULLAIR 185 CFM TRLR MOUNTED COMPRESSOR

JAGGER 150 CFM TRLR MOUNTED COMPRESSOR

HOBART ²⁰⁰ AMP WELDER ON TRAILER

HOBART 300 AMP WELDER

MILLER 225 G BOBCAT WELDER

2 - 100 TON HYDRAULIC JACKS

2 - 50 TON AIR JACKS

4 - GP 7 LOCOMOTIVES

81 - GMC 1 Ton Utility Truck

Track Maintenance Equipment

1. Jackson Model 2100 Tamper w/shoulder jacks and turntable jack
2. #BR605 Ballast Regulator

Highway Equipment

1. 1970 Chevrolet C20 wrecker truck w/ hydraulic tilt trailer semi-permanently coupled for hydraulic power take off (PTO)
2. Case Tractor w/ brush hog mower
3. Case Tractor, Front End Loader/ Backhoe combination
4. 1983 Chevrolet Utility Body Mechanic's Pick up Truck
5. 1983 Chevrolet Highrail Equipped Roadmaster's Pickup Truck
6. mid-1960s Chevrolet Dump Truck, (red) out of service

Miscellaneous Small Powered Equipment

- | | |
|---|---------|
| 1. Sullair Model 185 Helical screw Air Compressor | \$1,200 |
| 2. Lincoln 200 Amp. stick Welder | \$500 |
| 3. Rail Drill, Rail saw, Weed sprayer, mounted on 4 wheel (rail) trailer, | |
| 3 second hand EMD Blomberg (GP type) locomotive trucks, complete | \$2,000 |
| 4. 2 ea. Joyce 50 ton capacity air operated screw jacks | \$500 |
| 5. 2 ea. 100 ton capacity Hydraulic jacks w/gas engine and control valves | \$2,300 |
| 6. Miscellaneous small tools and equipment | \$2,000 |

EXHIBIT "C"

RAILROAD TRACKAGE

IDENTIFICATION OF THE PROPERTY

The subject property is Seagraves, Whiteface, & Lubbock Railroad (SWGR), three former Santa Fe lines, one of which runs from Milepost 0.0, in Lubbock, TX, through Doud (MP 6.1), to Milepost 63.9, in Seagraves, TX (plus a 2.7 mile spur); another from Milepost 0.0 in Doud, through Coble (MP 36.3) to Milepost 39.8, in Whiteface, TX; and the third from Milepost 0.0 in Coble to Milepost 9.2 in Sundown, TX. The accompanying maps provide detail as to the line's location.

PROPERTY DESCRIPTION

The subject rail corridor extends from the City of Lubbock to both Seagraves and Whiteface. The corridor is generally 100 feet wide, with some portions being wider.

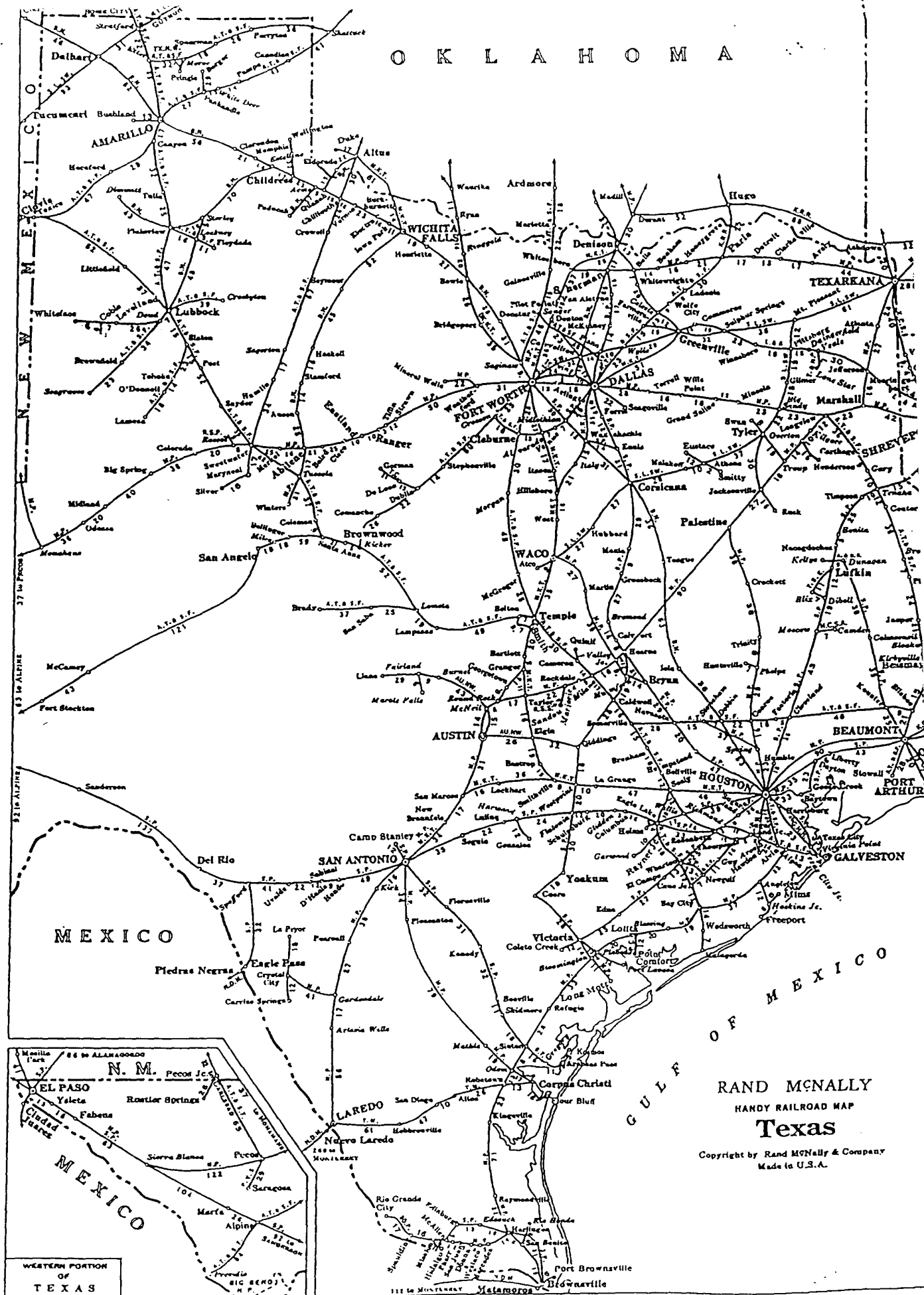
SWGR begins its operation of its Seagraves Subdivision at the Santa Fe main line in Lubbock, Lubbock County, TX. From that point (Milepost 0.0), in the northcentral portion of the City of Lubbock, near the intersection of U.S. Highways 82 and 84, the corridor runs generally southwest for about six miles through commercial and institutional areas to Doud, at Texas Route 289 (Milepost 6.1). Past Doud, the corridor continues in a southwesterly direction, generally following U.S. Highway 62/82, crossing into Hockley just north of Milepost 16. The corridor is generally agricultural, except for a small commercial strip in Wolfforth.

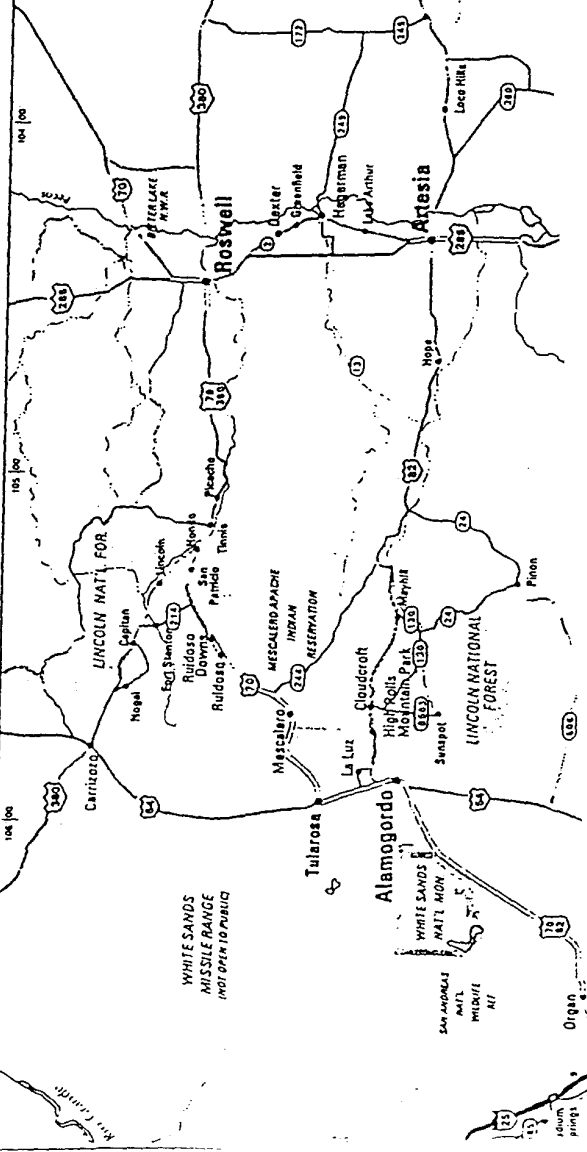
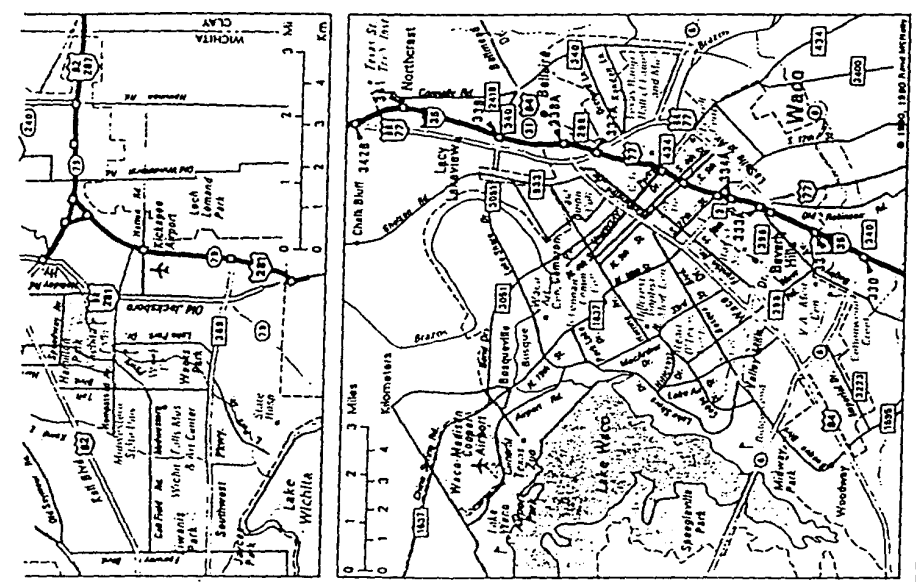
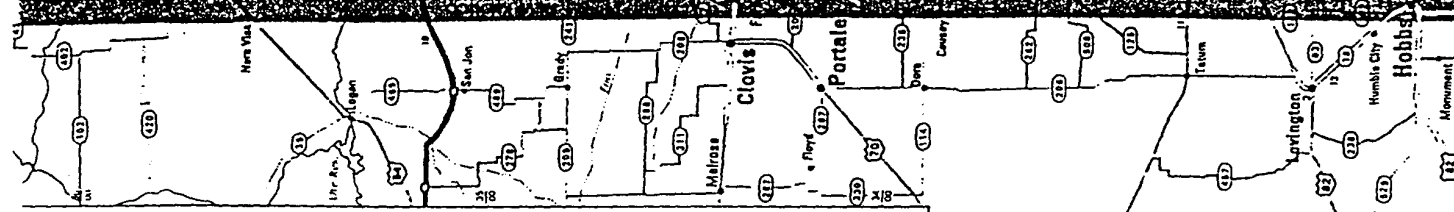
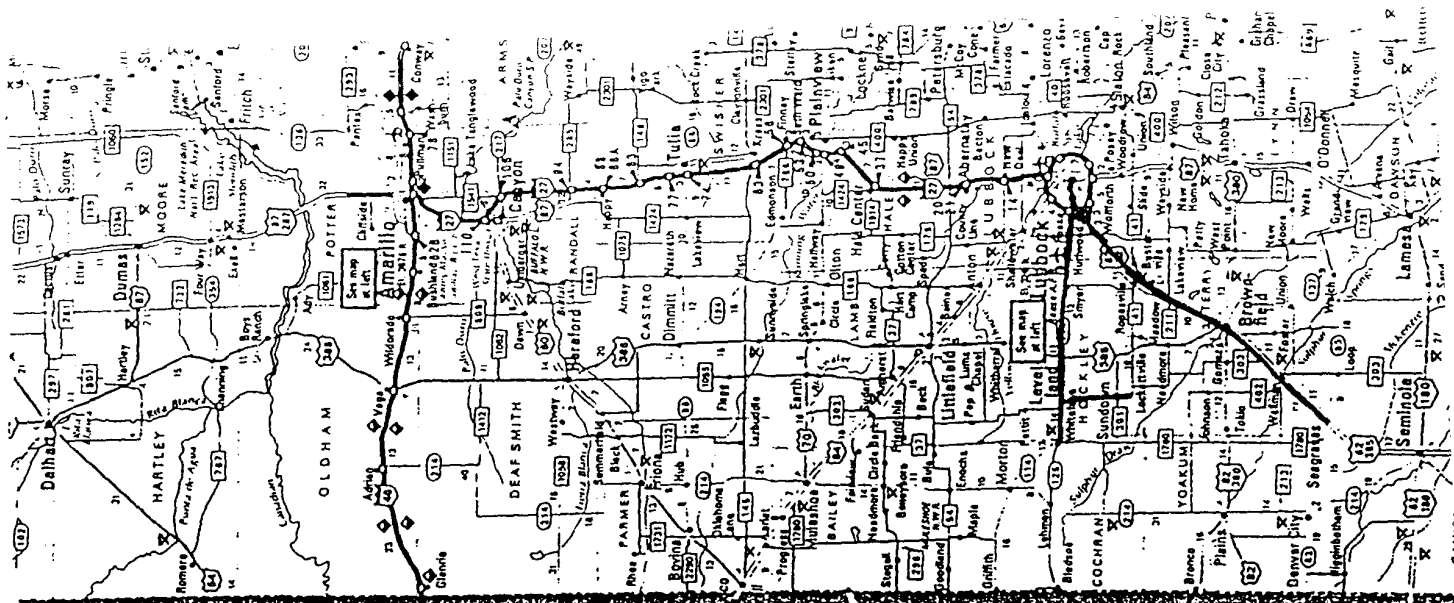
The corridor continues in a southwesterly direction through the southeast corner of Hockley County, before entering Terry County just south of Milepost 24. This portion of the corridor is agricultural, except for a small commercial strip in Ropesville. In Terry County, the line runs south-southwest to Brownfield, passing largely agricultural uses, except for a small commercial strip in Meadow. Through Brownfield, the usage is generally commercial. Leaving Brownfield, the corridor travels southwesterly along U.S. Highway 62/385, crossing into Gaines County just south of Milepost 61. Except for a small commercial strip in Wellman, land use is agricultural. The line continues southwestward, crossing into the City of Seagraves (Milepost 62.3) to the end of the line at Milepost 63.9. The county land use is agricultural, while the city land use is commercial. A spur extends for over 2.7 miles beyond Seagraves, through agricultural lands.

SWGR's Lehman Subdivision begins at Doud (Milepost 0.0) in Lubbock County. The corridor travels in a westerly direction along Texas Route 114, crossing into Hockley County just west of Milepost 9. Land use along this portion of the corridor is generally agricultural, with some commercial areas near Hurlwood.

In Hockley County, the corridor runs westward, passing agricultural lands and small commercial strips in Smyer and Levelland. Beyond Levelland (near Milepost 26), the corridor runs generally west, crossing into Cochran County east of Milepost 39. Land use is generally for pasture land. The line ends near Milepost 39.8 in Whiteface, where the land use is commercial. The Stanolind Spur leaves the Lehman Subdivision near Coble (Milepost 36.3) and runs southward along Texas Route 303 for about 9.2 miles through Sundown in Hockley County. Land use along this spur is a combination of pasture land and table land (scrub).

OKLAHOMA





SEAGRAVES, WHITEFACE, & LUBBOCK RAILROAD NLV

RECLAIM MATERIAL

Rail	Wt	Miles	NT/ Mile	Net Tons	Class
66		0.06	104.54	6.27	scrap
70		0.16	110.88	17.74	scrap
75		3.82	118.80	453.82	scrap
80		0.08	126.72	10.14	scrap
85		30.48	134.64	4103.83	reroll
85		37.04	134.64	4987.07	scrap
90		10.10	142.56	1440.21	reroll
90		15.84	142.56	2258.51	scrap
90		20.21	150.48	3040.45	yard
110		10.99	174.24	1914.90	reroll
110		0.54	183.92	99.32	relay
112		0.25	177.41	44.35	reroll
112		1.21	187.26	226.59	relay
132		0.14	167.20	23.41	relay
		130.92		18626.59	TOTAL

OTM

	Wt	NT/ Mile	Net Tons	Class
66	12.42		0.75	scrap
70	14.90		2.38	scrap
75	54.54		208.34	scrap
80	55.02		4.40	scrap
85	55.34		1686.76	scrap
85	55.34		2049.79	scrap
90	55.82		563.92	scrap
90	55.82		884.33	scrap
90	46.70		943.57	yard
90	9.12		184.27	scrap
110	82.45		906.13	scrap
110	82.45		44.52	relay
112	82.45		20.61	scrap
112	82.45		99.76	relay
132	106.33		14.89	relay
			7614.44	TOTAL

Turnouts

#	Type	Wt	NT/TO	Net Tons	Class
4	#8	75	4.08	16.31	scrap
65	#8	80	4.08	265.01	scrap
44	#8	90	4.65	204.73	scrap
11	#10	110	6.56	72.17	fit
2	#10	112	6.56	13.12	fit
126				571.34	TOTAL

SEAGRAVES, WHITEFACE, & LUBBOCK RAILROAD NLV

Ties

#	Class
4,148	grade 1
37,328	grade 2
207,377	landscape
165,902	scrap
414,755	TOTAL

Grade Crossing Flashers

#	Class
12	re-use
	Salvaged
	Tons

Ballast

0

COMPOSITE EXHIBIT "D"

LEGAL DESCRIPTION

All right, title and interest acquired by the Seagraves, Whiteface and Lubbock Railroad Co. from the Atchison, Topeka and Santa Fe Railway Company contained in the deeds, easements, ordinances, licenses and condemnations contained in the following description:

THAT PORTION OF THE REAL ESTATE AND IMPROVEMENTS THAT CONSTITUTE THOSE CERTAIN LINES OF RAILROAD DESIGNATED IN THE RECORDS OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY AS ALL OR A PORTION OF THE SEAGRAVES AND LEHMAN SUBDIVISIONS, WHICH PROPERTY CUMULATIVELY LIES IN THE COUNTIES OF GAINES, HOCKLEY, LUBBOCK, TERRY AND COCHRAN, STATE OF TEXAS, DESCRIBED SPECIFICALLY AS FOLLOWS:

SEAGRAVES SUBDIVISION

THAT PORTION OF THAT CERTAIN 63.49 MILE RAILROAD DESCRIBED TWELFTH IN THE DEED DATED AUGUST 1, 1965, FROM PANHANDLE AND SANTA FE RAILWAY COMPANY TO THE ATCHISON, TOPEKA, AND SANTA FE RAILWAY COMPANY, RECORDED AUGUST 3, 1965, IN VOLUME 1047 OF DEED RECORDS, AT PAGE 373, OF THE RECORDS OF LUBBOCK COUNTY, LYING SOUTHWESTERLY OF A LINE PARALLEL WITH AND DISTANT SOUTHWESTERLY 50 FEET, MEASURED AT RIGHT ANGLES FROM THE CENTER LINE OF THE MAIN TRACK OF THE LUBBOCK SUBDIVISION OF THE NEW MEXICO DIVISION.

LEHMAN SUBDIVISION

THAT PORTION OF THAT CERTAIN 63.42 MILE RAILROAD DESCRIBED THIRTEENTH IN THE DEED DATED AUGUST 1, 1965, FROM PANHANDLE AND SANTA FE RAILWAY COMPANY TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, RECORDED AUGUST 3, 1965, IN VOLUME 1047 OF DEED RECORDS, AT PAGE 373, OF THE RECORDS OF LUBBOCK COUNTY, LYING EASTERLY OF A LINE DRAWN AT RIGHT ANGLES TO THE CENTER LINE OF THAT RAILROAD, AND THROUGH A POINT ON SAID CENTER LINE AT MILE POST 39+4092 FEET, SAID POINT BEING THE BEGINNING OF THE ABANDONMENT DESCRIBED IN INTERSTATE COMMERCE COMMISSION DOCKET NUMBER AB-52 SUB NO. 23.

Seagraves Subdivision

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
4042	97	274	02-02-49	Gaines County
	109	429	01-27-49	Hockley County
	383	274	02-02-49	Lubbock County
	99	234	01-27-49	Terry County
44074	270	75	08-02-65	Gaines County
	231	155	08-02-65	Hockley County
	1047	373	08-02-65	Lubbock County
	290	107	08-02-65	Terry County
2808	51	61	03-23-17	Lubbock County
2868	54	259	12-08-18	Lubbock County
2809	51	63	03-23-17	Lubbock County
2917	3	215	06-08-18	Lubbock County
2810	51	62	03-22-17	Lubbock County
2810-A	52	134	06-01-17	Lubbock County
2811	51	191	03-31-17	Lubbock County
2810-A	52	134	06-01-17	Lubbock County
2882	2	110	12-15-16	Lubbock County
2869	54	260	12-08-17	Lubbock County
2870	54	258	12-08-17	Lubbock County
2870-A	52	136	06-01-17	Lubbock County
2871	54	256	12-08-17	Lubbock County
2812	51	192	03-31-17	Lubbock County
2813	51	193	04-17-17	Lubbock County
2813-A	52	132	06-01-17	Lubbock County
2578		Cont.		
2807 ^{1/}	51	57	03-22-17	Lubbock County
2913	3	180	12-12-17	Lubbock County
2917	3	215	06-08-18	Lubbock County
2867	54	261	12-08-17	Lubbock County
2872	54	255	12-08-17	Lubbock County
2873	54	253	12-08-17	Lubbock County
2873-A ^{2/}	52	138	06-01-17	Lubbock County
2814	51	194	04-02-17	Lubbock County
2815	51	195	04-02-17	Lubbock County
2874	54	252	12-07-17	Lubbock County
2874-A	52	140	06-01-17	Lubbock County
2875	54	250	12-07-17	Lubbock County

^{1/} Except for: 7611 - Book 807, Page 306, 08-31-60.
7425 - CEOA File 233221.
7611 - Book 807, Page 306, 08-31-60.
46646 - File Ct. 23336.

^{2/} Except for: 49327 - CEOA File 233221.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
2876	54	249	12-01-17	Lubbock County
2825	52	351	06-13-17	Lubbock County
2878	54	243	12-07-17	Lubbock County
2879	54	244	12-06-17	Lubbock County
2877	54	247	12-07-17	Lubbock County
2817	51	198	04-02-17	Lubbock County
2816	51	196	04-02-17	Lubbock County
2826 ^{3/}	52	352	06-08-17	Lubbock County
2818	51	199	04-02-17	Lubbock County
2819	51	200	04-02-17	Lubbock County
2801	51	51	03-22-17	Lubbock County
2827	52	353	06-13-17	Lubbock County
2820	6	295	03-24-17	Hockley County
2824 ^{4/}	6	290	03-24-17	Hockley County
2821 ^{5/}	6	293	03-24-17	Hockley County
2824 ^{6/}	6	290	03-24-17	Hockley County
2821 ^{7/}	6	293	03-24-17	Hockley County
2896	5	171	01-26-18	Hockley County
2822	6	296	03-24-17	Hockley County
2823	6	291	03-24-17	Hockley County
TBCD-14	179	155	06-18-59	Hockley County
2892	16	9	01-31-18	Terry County
2891	16	11	01-31-18	Terry County
2893	16	8	01-30-18	Terry County
2930	23	493	03-04-24	Terry County
2891	16	11	01-26-18	Terry County
2902	16	100	04-06-18	Terry County
2857	15	290	06-11-17	Terry County
2859	15	292	06-11-17	Terry County
2891 ^{8/}	16	11	01-26-18	Terry County
2857	15	290	06-11-17	Terry County

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- ^{3/} Except for: 47389 - File Ct. 26053.
- ^{4/} Except for: 4007 - CEOA File 233238.
- ^{5/} Except for: 7562 - CEOA File 233238-5.
- ^{6/} Except for: 7562 - CEOA File 233238-5.
- ^{7/} Except for: 7562 - CEOA File 233238-5.
49461 - File B-39118.
7520 - File 233238-5.
7562 - CEOA File 233238-5.
- ^{8/} Except for: 7511 - CEOA File 233237.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
2858	15	197	06-11-17	Terry County
2860	15	293	06-11-17	Terry County
2919	16	260	11-13-18	Terry County
2897 ^{2/}	16	35	02-22-18	Terry County
2866	15	305	06-13-17	Terry County
2862	15	286	06-09-17	Terry County
2883	Court Order #59		12-22-16	Terry County
2883-A	40	208	08-11-33	Terry County
2894	16	3	01-29-18	Terry County
2865	15	301	06-12-17	Terry County
2855	15	312	06-13-17	Terry County
2856	15	295	06-11-17	Terry County
4012	65	32	10-12-40	Terry County
8814	CEOA File 980827 (RC-41)			Terry County
8801	CEOA File 980827 (RC-41)			Terry County
4013	64	566	02-19-41	Terry County
2830	15	361	06-20-17	Terry County
2835	15	355	06-20-17	Terry County
2848	15	319	06-14-17	Terry County
2849	15	314	06-13-17	Terry County
2851	15	306	06-13-17	Terry County
2861	15	299	06-12-17	Terry County
2895	16	2	01-29-18	Terry County
2847	15	321	06-14-17	Terry County
2846	15	323	06-14-17	Terry County
2845	15	324	06-14-17	Terry County
2889	15	645	01-26-18	Terry County
2898	16	34	02-22-18	Terry County
2912	1	488	11- -16	Terry County
2843	15	327	06-15-17	Terry County
2831	15	360	06-20-17	Terry County
2890	15	643	01-26-18	Terry County
2914	1	134	02-27-17	Terry County
2837	15	352	06-19-17	Terry County
2841	15	330	06-15-17	Terry County
2838	15	351	06-19-17	Terry County
2900	15	341	06-18-17	Terry County
2840	15	341	06-18-17	Terry County
2839	15	349	06-18-17	Terry County
2842	15	329	06-15-17	Terry County
2908	16	98	04-05-18	Terry County
2844	15	325	06-15-17	Terry County
2910	16	109	04-10-18	Terry County
2909	16	110	04-10-18	Terry County

^{2/} Except for: 7511 - CEOA File 233237.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
2911	1	488	11-13-16	Terry County
2861	15	299	06-12-17	Terry County
2863	15	317	06-14-17	Terry County
2907	16	102	04-09-18	Terry County
2906	16	101	04-06-18	Terry County
4282	CEOA File 296566			Terry County
2866	15	649	01-28-18	Terry County
2829	15	365	06-20-17	Terry County
2885	15	647	01-28-18	Terry County
2888	16	6	01-30-18	Terry County
2828	15	367	06-21-17	Terry County
2832	15	363	06-20-17	Terry County
2834	15	365	06-20-17	Terry County
2887	16	5	01-30-18	Terry County
2884	15	646	01-26-18	Terry County
2901	16	92	04-04-18	Terry County
2903 ^{10/}	16	95	04-05-18	Terry County
2836	15	353	06-20-17	Terry County
2850 ^{11/}	15	308	06-13-17	Terry County
2852	15	287	06-11-17	Terry County
2853	15	289	06-11-17	Terry County
2904	16	93	04-04-18	Terry County
2921	16	287	12-21-18	Terry County
2854 ^{12/}	15	303	06-12-17	Terry County
2905	16	97	04-05-18	Terry County
2921 ^{13/}	16	287-	12-21-18	Terry County
		283		
2833	15	366	06-21-17	Terry County
2864	15	311	06-13-17	Terry County
2927				Terry County
2920 ^{14/}	10	590-	12-19-18	Gaines County

^{10/} Except for: 7576 - CEOA File 233237-1.
7576 - CEOA File 233237-1.

^{11/} Except for: 7576 - CEOA File 233237-1.

^{12/} Except for: 7576 - CEOA File 233237-1.

^{13/} Except for: 7661 - CEOA File 233237.
7661 - CEOA File 233237.
7661 - CEOA File 233237.

^{14/} Except for: 4006 - CEOA File 233221.
7661 - CEOA File 233237.
4006 - CEOA File 233221.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
		594		
2924	13	273	08-05-19	Gaines County
2920 ^{15/}	10	590	12-19-18	Gaines County
2922	13	5-6	01-17-19	Gaines County
2918	10	513-	09-13-18	Gaines County
		514		
4011	52	232	06-13-38	Gaines County
2996	Ordinance (City of Seagraves)		10-01-28	Gaines County

^{15/} Except for: 7571 - CEOA File 233282.

Lehman Subdivision

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
4042	45	286	02-02-49	Cochran County
	109	429	01-27-49	Hockley County
	383	274	02-02-49	Lubbock County
44074	102	604	08-02-65	Cochran County
	231	155	08-02-65	Hockley County
	1047	373	08-02-65	Lubbock County
2931	99	487	06-12-25	Lubbock County
2933	99	482	06-12-25	Lubbock County
2957	99	571	06-19-25	Lubbock County
136032			Ord No 5997	Lubbock County
45930	1289	516	12-21-71	Lubbock County
139661			Ct. 23644	Lubbock County
2932	99	473	06-10-25	Lubbock County
2934	99	461	06-10-25	Lubbock County
2955 ^{16/}	99	462	06-10-25	Lubbock County
2938 ^{17/}	99	464	06-10-25	Lubbock County
2958	101	83	06-01-25	Lubbock County
2935	99	459	06-10-25	Lubbock County
2936	99	475	06-11-25	Lubbock County
2937	99	471	06-10-25	Lubbock County
2955 ^{18/}	99	462	06-10-25	Lubbock County
2938	99	464	06-10-25	Lubbock County
2980	101	403	07-29-25	Lubbock/Hockley Counties
2945	15	79	06-13-25	Lubbock/Hockley Counties
2947	15	83	06-13-25	Lubbock/Hockley Counties
2959	15	163	06-26-25	Hockley County
2946	15	81	06-13-25	Hockley County
2960	15	165	06-26-25	Hockley County
2948	15	80	06-13-25	Hockley County
2993	18	49	07-06-26	Hockley County
2961	15	169	06-27-25	Hockley County

^{16/} Except for: 48352 - Minerals reserved.
48352 - Minerals reserved.

^{17/} Except for: 48352 - Minerals reserved.

^{18/} Except for: 48352 - Minerals reserved.
48352 - Minerals reserved.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
2993 ^{19/}	18	49	07-06-26	Hockley County
4018	69	302	08-23-43	Hockley County
2939 ^{20/}	15	75	06-10-25	Hockley County
2941 ^{21/}	15	77	06-10-25	Hockley County
2942	15	69	06-09-25	Hockley County
2940	15	71	06-08-25	Hockley County
2970	15	155	06-26-25	Hockley County
2966	15	171	06-27-25	Hockley County
7205	CEOA File 980369			Hockley County
7617	184	603	10-05-60	Hockley County
2987	15	374	09-01-25	Hockley County
7205	CEOA File 980369			Hockley County
2978	15	202	06-30-25	Hockley County
2964	15	175	06-27-25	Hockley County
2969	15	157	06-26-25	Hockley County
2965	15	153	06-26-25	Hockley County
2956	15	94	06-13-25	Hockley County
2963	15	173	06-27-25	Hockley County
9124	CEOA File 980940			Hockley County
2983	15	412	09-02-25	Hockley County
2989	15	409	09-02-25	Hockley County
2985	15	414	09-02-25	Hockley County
2984	15	470	09-05-25	Hockley County
2991	17	489	04-27-26	Hockley County
2986	15	406	09-02-25	Hockley County
4008	35	357	09-12-33	Hockley County
2988	15	403	09-02-25	Hockley County
2943	15	67	06-09-25	Hockley County
4041	107	598	09-03-48	Hockley County
4041-A	101	20B	01-13-48	Hockley County
4041-B	107	597	09-03-48	Hockley County
4041-E	96	109	11-29-47	Hockley County
4041-D	97	305	10-20-47	Hockley County
4041-H	97	312	10-27-47	Hockley County
4041-C	97	302	10-17-47	Hockley County
4041-F	97	309	10-22-47	Hockley County

^{19/} Except for: 47672 - File Ct. 20546.
47672 - File Ct. 20546.
47672 - File Ct. 20546.
47672 - File Ct. 20546.

^{20/} Except for: 47672 - File Ct. 20546.

^{21/} Except for: 47672 - File Ct. 20546.
47672 - File Ct. 20546.

<u>Custodian's Number</u>	<u>Book</u>	<u>Page</u>	<u>Date of Filing</u>	<u>County</u>
2943	15	67	06-09-25	Hockley/Cochran Counties
2993	18	49	07-06-26	Hockley/Cochran Counties
2943A	9	338	06-26-25	Hockley/Cochran Counties
2971	9	373	07-22-25	Hockley/Cochran Counties
2943B	9	337	06-25-25	Hockley/Cochran Counties
2993	18	49	07-06-26	Cochran County
2943	15	67	06-09-25	Cochran County
2997	12	368	02-04-29	Cochran County
TBCD-13	71	451	06-10-59	Cochran County
2943B ^{22/}	9	337	06-25-25	Cochran County
2949	9	334	06-25-25	Cochran County
2944 ^{23/}	9	335	06-25-25	Cochran County
2950	9	331	06-25-25	Cochran County
2993	10	299	07-16-26	Cochran County
2972	9	380	07-23-25	Cochran County
2973	9	384	07-23-25	Cochran County
2979	9	393	07-24-25	Cochran County
2952	9	341	06-25-25	Cochran County
2993 ^{24/}	10	299	07-16-26	Cochran County
4020	33	595	07-12-44	Cochran County
TBCD-13	71	451	06-10-59	Cochran County
2951	9	340	06-26-25	Cochran County
2972 ^{25/}	9	380	07-23-25	Cochran County
2953	9	333	06-25-25	Cochran County
2953	9	333	06-25-25	Cochran County
2993	10	299	07-16-26	Cochran County
2993	10	299	07-16-26	Cochran County
2954	9	342	06-26-25	Cochran County
2990	9	449	10-03-25	Cochran County
4017	31	584	08-14-43	Cochran County
TBCD-13	71	451	06-10-59	Cochran County
TBCD-48	84	297	12-04-61	Cochran County

^{22/} Except for: 7416 - CEOA File 233260.

^{23/} Except for: 7416 - CEOA File 233260.

^{24/} Except for: 7416 - CEOA File 233260.

^{25/} Except for: 7416 - CEOA File 233260.

EXHIBIT "E"
PERMITTED ENCUMBRANCES

NONE